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# The Strategic Importance of Partnerships for CNB

The Long Term  
Sustainability of CNB

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**CNB**  
COMPANHIA  
NACIONAL DE  
BAILADO

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## THE LONG TERM SUSTAINABILITY OF CNB BUSINESS PROJECT (BP)

**The Company & Market Overview**

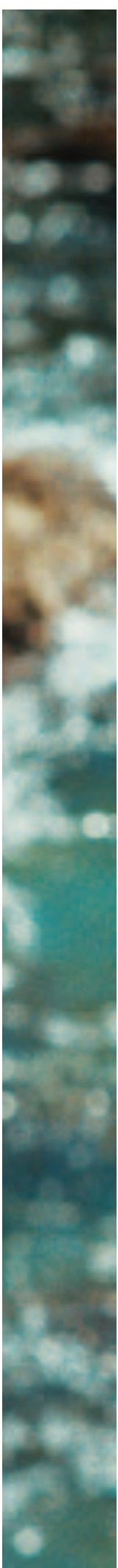
Companhia Nacional de Bailado (CNB) is Portugal's only classical ballet dance company. Founded in 1977, it currently functions under the administration of Organismo de Produção Artística (OPART) with the mission of providing a public service in the field of ballet. The company has more than 80 collaborators and operates in Teatro Camões under the artistic guidance of Luísa Taveira. With well over 40.000 spectators in 2012, CNB is known for its excellence and unique approach to the interpretation of classic, neoclassic, modern and contemporary dance (*BP 8*). CNB's 2014 program was composed of eight different shows, with ballet performances such as *Orfeu e Euridice*, *Giselle* or *Swan Lake*. The company also organizes parallel activities including annual national tours of the country and solidarity rehearsals, conferences and workshops.

The overview of professional dance companies in Portugal confirms that CNB stands out in the market, for its size and status as the national institution, as well for the extensiveness of its program and the number of performances conducted during a season. Moreover, as research showed, its current audience sees attending a performance at CNB as a special event (*appendix n°1*) and for that reason other cultural centers in Lisbon can also be considered as competitors of CNB. From those it is important to highlight Centro Cultural de Belém (CCB) and Fundação Calouste Gulbenkian, for its size, visibility and reputation and Teatro Camões itself, for being the stage to other professional performances besides CNB.

**Current Situation & The Business Project challenge and conclusions**

Having recently suffered budget cuts, CNB's ability to broaden its audience and increase ticket revenues is of essential importance. While in other renowned European artistic organizations tourists represent a significant portion of sales, in CNB that is not the case (at Sadler's Wells theatre in London 90% of the audience is foreigner, while for CNB it is of less than 10%). Despite the strategic location in the touristic Parque das Nações area, the company has yet failed to attract foreigners.

Therefore, the BP's challenge was: how can CNB achieve long-term sustainability by increasing the number of tickets sold without moving away from its present values and quality? Additionally, some limitations had to be taken into account: little



resource availability, lack of knowledge about current audience and the control by CNB of the artistic concept of the product offering.

The first step in to the design of a strategy that guaranteed CNB's long-term sustainability was to conduct comprehensive market research. This research concerned CNB's current audience, 186 in person questionnaires; National tourists that could be considered potential clients, 354 responses on an online survey; and foreigner tourists in the Lisbon area, 189 in person questionnaires conducted. The results from these questionnaires were later analyzed through SPSS. Some conclusions were fundamental in order to build these recommendations: for CNB's current audience CNB's website is currently the most common source of information about the company's offer, but for potential national customers Facebook's page is the preferred source and internationals prefer tourism referral websites. Both potential customers respondents groups mentioned lack of information about CNB's shows as the prime impediment for a higher attendance. Furthermore, in all questionnaires there were respondents who's willingness to pay was superior to CNB's current higher price for a ticket, which shows an opportunity for the company. Fundamentally, this analysis provided an exhaustive understanding of who CNB's customers are, as well as potential customers preferences, on which concrete recommendations were built.

A long-term sustainability strategy for CNB involves leveraging on current strong points, such as quality and distinctive personality by opting for an ampler communication base, used not only to reach new targets, such as international tourists, but to better transmit the brand image. Recommendations focused on communication and promotion, pricing and the elaboration of partnerships include both smaller steps that are easier to implement and more sophisticated actions that demand a more complex approach and require more time. Thus, CNB can choose the implementation of those strategies that are urgent but also currently feasible when taking into account their resource requirement. With the implementation of concrete proposals such as new campaigns, more personal social media engagement, stronger presence on tripadvisor and the establishment of partnerships, it is the group's belief that CNB will be able to improve its visibility and attractiveness beyond the current audience to reach the still reluctant target group of tourists and at the same time optimize the profitability potential. Through the adjustment of the CNB brand to the demand of today's public CNB will find a successful path towards the future.





## THE STRATEGIC IMPORTANCE OF PARTNERSHIPS FOR CNB

### **Business Project's approach**

The importance of partnerships for CNB was only properly grasped in the final presentation to the client, few days before the delivery of business project report. Bearing in mind time constraints, the team decided to undertake a strictly practical approach, thought to be more useful for CNB. Moreover, considering the organization's preference for the artistic conceptual aspects and its reluctance to opt for a managerial approach to situations, such an approach, where CNB could understand exactly how to form partnerships with three suggested types of entities, seemed the ideal.

The choice of partners was related with two main aspects: hotels and touristic buses were chosen considering CNB's objective of reaching international foreigners in Lisbon; and universities were chosen to help undertake the team's recommendations of strengthening the CNB brand and of improving communication. (See appendix nº2 for slides)

### **Main limitations of the approach**

This practical style, although making it possible for CNB to act quickly, did not allow the group to explain to CNB how valuable partnerships are and in which cases would they make sense. It should be CNB selecting interesting partners and negotiating the terms of the deal, since they are the ones with market knowledge, but in order to do so, fieldwork must precede. Partnerships' clear objectives and goals must be defined. A strategy is essential, thus the tools to develop it must be presented.

### **What are strategic partnerships**

"A partnership is a dynamic relationship among diverse actors based on mutually agreed objectives, pursued through a shared understanding of the most rational division of labor based on the respective comparative advantages of each partner" (*Brinkerhoff, 2002*).

A strategic partnership is formed to meet certain programmatic and organizational goals. Partners are chosen due to a shared vision or common objectives and the agreement results in an increase of the institutions' effectiveness. These are only possible once an institution occupies a specific place in its business area, rather than



in an initial moment, and for that reason CNB is in a perfect state of its existence to celebrate them. CNB has a well-defined brand personality and its image stands for premium quality, national values and contemporaneousness. It is based on those trades that CNB should carefully select its partners.

### Why are strategic partnerships important for CNB

In general, in the public sector, as is the case of CNB, there are two broad motivators for partnerships: obtain resources to meet **programmatic needs** and to achieve **organizational goals** (*The Effectiveness of Nonprofit Lead-Organization Networks for Social Service Delivery, 2010*).

CNB's **programmatic needs** are related with its political, financial and cognitive limitations that constrain managerial options. The company currently has 81 employees, and the vast majority is part of the artistic staff. Almost half of those are dancers who are no longer active but need, due to legal demands, to be kept, which prevents the company to suppress its lack of managerial staff. Establishing strategic alliances may allow CNB to gain access to knowledge and technical counseling that the company otherwise cannot access.

**Organizational goals** on the other hand, are associated with an increase in CNB's legitimacy, which can be defined as "actions and behaviors of a network or an organization that are perceived as desired and appropriate by key external and internal stakeholders" (*The Effectiveness of Nonprofit... 2010, pg.4*). The role of partnerships in achieving these goals can be related with funding requirements or need of enriching organizational reputation. CNB's financial support has three sources: direct government funding (500,000€); private funding, which can be summed up in EDP Foundation's support (400,000€), and ticket revenues. CNB functions in a dual leadership structure, thus having a budget for activities managed by the artistic director and one for people, managed by the administration board. Ticket revenues go directly to the administration, and they have an influence on the following year's budget offered by the State. This funding has just suffered a 40% cut this current season. Promotion and communication related actions are limited options for CNB, has the company does not have a budget for marketing, and is currently using part of the program budget for those expenses. Wherefore, Partnerships play an essential role the organization's finance stability, as they are the sole secure and fixed source of income.



Furthermore, partnerships present a possibility to improve recognition and reputation. In order to preserve its exclusive and non-commercial image CNB must distinguish itself by partnering with organizations that match its values. This way, partnerships will constitute a privileged communication vehicle that will help strengthening the company's image.

### What is CNB doing currently

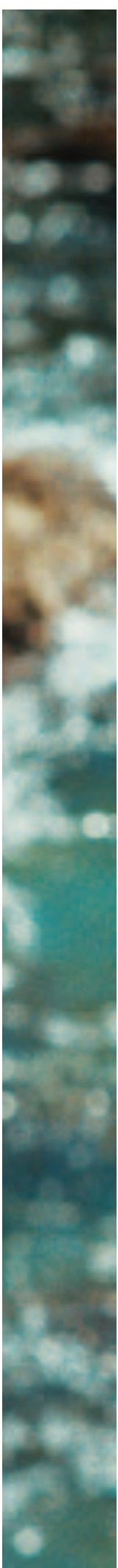
Since 1998, EDP Foundation is CNB's main patron supporting the artistic preservation and development of ballet in Portugal. The Foundation shares CNB's values of "creativity, innovation, decentralization and internationalization, as well as the rigor, effort and renewal capability that the artistic work demands" (*cnb.pt*). This partnership can be considered strategic as it is based on a share of common values and vision.

Furthermore, the company has recently started developing the partnership area of its website, following the BP's group advice, and it shows a support from "Vila Galé Ericeira" and it has just founded a "Company Club" which currently has one member. Finally, CNB has also just started offering a discount in a parking lot close to the theater. This last partnership has a clear intent of facilitating the trip to the show, and so incentivizing customers to go, non the less, the other two partnerships' aim is not very clear.

### What can CNB do

There are two main types of partners with whom CNB can partner: **corporate** and **community partners** (*Partnerships: Frameworks for Working Together*). Regarding **corporate**, they are not just able to provide resources to CNB but also to help the organization shape its reputation and get additional resources. Furthermore, it is possible that corporate partners allow employees to volunteer with their expertise (services such as public relations, marketing plans, etc.), which would be a form of suppressing the company's lack of managerial resources above explained.

What can CNB offer: The donations made to CNB can be discounted at 120%, under the terms of law nº 215/89 in art.62º/2 (altered by law 83-C/2013), which can represent an opportunity for organizations to not only support prime Portuguese culture institutes, but benefit from fiscal privileges.



Nevertheless, an association to the National Ballet of Portugal strengthens the national and unique character of the companies. Also, CNB modern and high quality image allows for positive associations to be made between the brands. This offer is will also be valuable for modern and irreverent start-ups, who along side big multinationals could offer important services to CNB and that have much to profit by associating its image to the exclusivity of CNB's image.

Partnerships with **community** partners are relationships with other nonprofit organizations that provide an opportunity to enhance the organization's programs. These can be of two types, **complementary and cross-promotional** (*Smith, 2012*)

**Complementary** community partnerships are related with the direct implementation of the organization's programs, it involves collaboration and resource combining in order to increase the impact of both organizations (*Smith, 2012*). In CNB's case this type of partnership will make special sense for Universities. The key to a successful partnership between CNB and Universities is the will to create change, although management skills are valid. (*Nonprofit and University Strategic Partnerships, 2012*). Students and graduates are able to apply and develop their management skills in many companies, but what CNB can offer, that others can't, is meaning. All work that students might do for CNB, which cannot have access to those services elsewhere, can have quick results and a big impact and for that reason, higher returns for both parts.

**Cross-promotional** community partnerships on the other hand, provide an opportunity for both organizations to increase their awareness. Usually organizations in the same sector pool resources, which prompts growth for both of them, promoting their brand and possibly increasing participation in their programs (*Smith, 2012*). In CNB's case this type of partnerships would be especially adequate for specific events, it could for instance be the first show of the season. It might make sense to produce a show in collaboration with another artistic organization. For its nature, these type of partnerships fall exclusively under the organization's artistic domain.

As for the form that those partnerships will assume, it will mainly be collaboration. This is so because this form of partnership functions with a greater autonomy level and it does not require or include permanent organizational commitment (*Partnerships: Frameworks for Working Together*). This type of agreement is the one





that best suits CNB's managerial and artistic autonomy. These partnerships do not necessarily include shared, transferred, or combined services or governance. They do not implicate any integration or information sharing between the organizations.

Additionally, Cost-sharing and Grant-match types of partnerships might be interesting for CNB for agreements that are celebrated for punctual situations, programs, awards, events, etc. Cost-sharing partnerships are characterized by one organization providing certain resources, often times money, and another organization providing other resources, most times public exposure (*Partnerships: Frameworks for Working Together*). A Cost-sharing partnership can be created if CNB decides to implement one of the suggestions made in the BP regarding the creation of partnerships with universities for communication and technical projects. A corporate sponsoring of the competitions would allow CNB to offer more alluring prizes

Grant-match entitles an organization providing a grant and the recipient providing something in return (*Partnerships: Frameworks for Working Together*). In CNB's case the return includes a fiscal benefit, as well as public exposure, the association to a brand with the exclusivity of CNB's, besides tickets, behind the scenes tours, and other sort of exclusive offers.

### How can CNB do it

A strategic development of partnerships can only be so when undertaken by CNB itself, as it holds control over the organization's future direction. So, and in order to guarantee that CNB has all required tools to develop and negotiate the partnerships that better fit its needs and characteristics it is important to develop a general framework (see appendix nº3 for a schematic version).

### Partnership Development Framework

The first step is to fully **understand** if CNB **needs a partnership**. The question here must be: is there is added value in working with other organizations? Secondly, what **benefits does CNB expect** to obtain from the partnership, is must be possible to easily identify specific goals that the partnership could help achieve and it has to be possible to identify the "added value" for potential partners. Lastly, and after obtaining positive answers to these questions, it is important to **assess the market** to see if there are possible partners for that partnership. Are there other organizations that share CNB's values or interests? (*Frameworks for Working Together, simplified*

*adaptation*).

Once these questions have a positive answer then a procedure must be started in order to **establish the partnership**. For this phase it is essential to give the deal a written form. CNB must have, and it should seek legal counseling to so, “terms of reference” or plainly speaking, a **contract**, for partnerships. In this document it will be clear which are the partnership’s objectives and goals and what are the roles and responsibilities of each partner as well as the partnership key performance indicators (KPI’s). It is essential to provide partnerships with structure and boundaries in order to have them being successful and sustainable.

Once the partnership is established **performance and management systems** must be put into action. The partnership and its results must be publicized by each of the partners in order to attract public attention and to boost the results of the agreement. Additionally, partners must not misjudge the importance of continuous **communication** after the deal is signed. This importance is all more evident when it is the case of long term partnerships. For these partnerships communication’s main objective is maintaining the relationship valid, and make sure that the initial complicity is conserved, and it is the essence of partnership’s success. Partners must communicate in a regular basis, discuss details, possible alterations, new ideas and implementation requirements.

One other, absolutely essential, management system to be implemented by CNB is a **monitoring** system for partnerships. Partnerships, when they don’t have specified duration, have to have its results and performance monitoring, thus the establishment of KPI’s. These can be anything, from an increase in ticket sales to an increase in number of likes of CNB’s Facebook pages or website visits. KPI’s will allow CNB to monitor and measure the results of the agreement and to determine which aspects might need improvement or refinement.

The final task to be overtaken during the existence of the partnership is to eventually consider issues of **transition and ending**. Over time, it can happen that the initial goals need to be altered or adapted or even that the agreement it self stopped making sense. In order to avoid negative consequences for the organizations, it is important that at these times organizational partners are able to alter or end the partnership altogether in a way that functions well for all associated parties.



## REFLECTION ON LEARNING

My preference for the business project that dealt with the long-term sustainability of the national ballet company was based on impact. I knew that the work and most importantly the results we could arrive to would be very valuable for CNB, as they are a smaller organization which, unlike most of the other companies offered in the BP, could not have access to this type of analysis and services.

The project's initial phase was research based. The company lacked information about the market and our task was to try and get that information in the most accurate way possible. In this phase I was able to apply market research tools that I had previously acquired, during a Brand Management project, and further develop them with the usage of tools that I had not used before such as Qualtrics, to do the online survey, and SPSS, for the analysis. I have to highlight this last program as its functioning is quite complex and learning it resulted in a very useful tool for me. All throughout this project I managed to apply many techniques that I had acquired the previous semester while taking a project management course at Université Catholique de Louvain, during my semester abroad. It was there that I first worked in a group where the role of the leader was formally assigned to one of the members. In the business project, and unlike before, this role was occupied in an alternating manner, which allowed everyone to have the chance to lead. It only made a difference from an organizational point of view, as this was the person in charge of scheduling group meetings and then elaborating the minutes of those meetings. I feel that this role is very important, especially for projects that last for a considerable period of time, but personally I prefer to not be alternating between members, because every time there is a change of leader the group needs to adjust to the new person's preferences, which I feel is less productive. Moreover, in this project I had the opportunity of applying previously studied concepts of marketing, specifically in areas of branding and promotion, in the recommendations section of the project.

Direct contact with CNB in this project was immeasurably valuable not only for the development and achievements of the project, which could have not been done in a distinct manner, but also for me personally. The only previous contact I had had with a client had been with a corporate client, in the case Unilever for Brand Management, and I could find many differences between the two experiences. The way we communicated with CNB always had to take into account, not only their distance



from the managerial world and its concepts and principles, but also, and very importantly, their artistic sensibility and proximity to CNB's identity and concepts. This demanded an adaptation effort from our part, to present our ideas in simple, very visual way, especially when talking about complex information, such as market research results.

This business project offered me innumerable opportunities to develop my previously acquired skills and also to apply new ones. Working directly in and for an organization such as CNB was a very interesting experience as we had access to exclusive information and insights to develop this project. I would say that in general my strong point is communication, either with the client or with my team members. I managed to easily put my ideas across in a clear way. In a weaker note I must mention that in times I lacked the rigor that building a project under these terms and with these objectives required. When researching for a benchmark that needed to be done at a point I feel I could have analyzed the results more thoroughly and in greater detail. Fortunately my peers, by helping me with the development of my ideas, remedied this fault and the end result was very positive and innovative.

The company's objectives for this project and what should have been covered in it were quite clear. Nevertheless, looking back, I feel that the communication of those goals should have been more precise. We were told that the objectives for the long-term strategies would be to attract foreign tourists to CNB, although our research indicated that national tourists would have been an easier target. Also, no remark or limitation was imposed, leading us to believe that there were none. When presenting suggestions about types artistic concepts or services that CNB should implement in order to reach foreigners we were told that those were out of the scope of the project. These misunderstandings could have been avoided had the terms and scope of the project been developed and communicated in a more accurate and precise way.

This project allowed me to thrive characteristics as attention to detail and innovation, while challenging me with needs of adaptation and rigor. All throughout its duration it was essential to keep in mind not only CNB's financial and organizational limitations but also its needs. For the future I will most definitely remember the importance of tailoring your work and communication to the necessities and features of the client.





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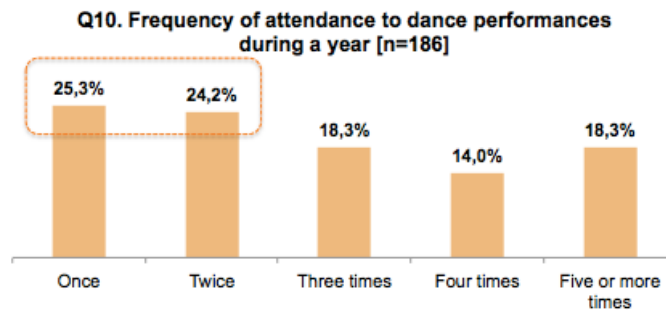
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## APPENDICES

## 1. Market research

## Circumstances of watching a performance



*During one year:  
50% of CNBs  
audience attend a  
dance  
performance up  
to 2 times*

## 2. Partnerships suggestions

## 3.5 Partnerships: Universities

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## Partnership with NOVA School of Business and Economics: Masters in Management

## Why NOVA?

- Ranked 54 by the Financial Times Ranking: Masters in Management 2013
- Management expertise of the students made available to CNB for free or at low expenses (that can be material costs for instance)
- Flexibility to choose the theme, scope and objectives of the project
- Freedom to arrange implementation phase with the terms that best fit CNB needs



**What CNB offers:** Through these partnerships students can gain practical experience on how to work with a real organization. This will be personally rewarding for the students that have an opportunity to see their work put into use. It is also professionally a takeaway that the students can add to their CVs.

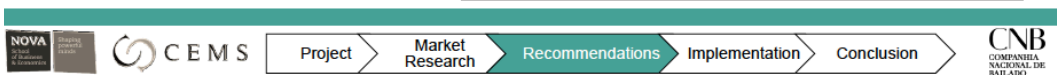
**What CNB receives:** CNB can gain an outsider's perspective on its organization and have access to creative problem solving techniques to issues that are undermining the organization's performance.

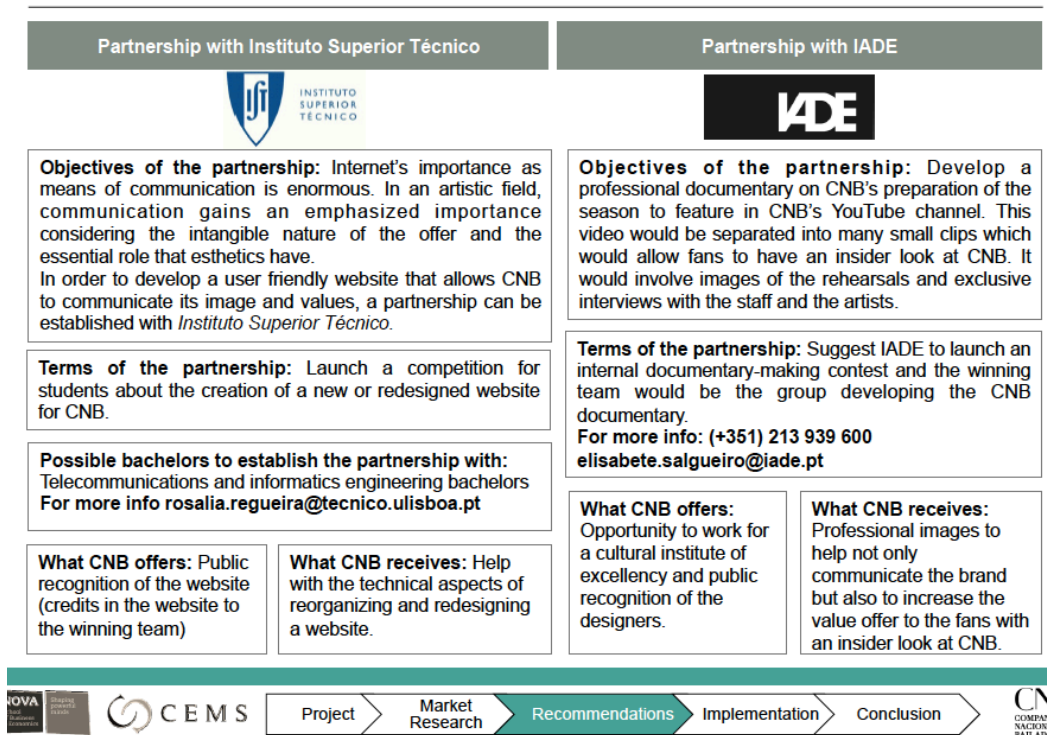
**Objectives of the partnership:** Branding project to strengthen CNB's brand identity.  
Marketing projects on communication development.

## Which courses exactly:

**Marketing research course:** Semester long project. All classes divided into groups which work to solve a problem posed by an organization, in this case it would be CNB, through marketing research. **Course responsible:** Elizabete Cardoso ([ecardoso@novasbe.pt](mailto:ecardoso@novasbe.pt))

**Luxury marketing and management:** Students develop a succinct project with the goal of "Applying main luxury principles and business model to the selected entity to increase its performance, in terms of revenue/profit or/and reputation/image". CNB could be the organization in which the groups would work to get inspiration on how to increase performance levels. **Course responsible:** Catherine da Silveira ([cgsilveira@novasbe.pt](mailto:cdsilveira@novasbe.pt))





### 3. Partnership Development Scheme

#### 1. Evaluate the need for a partnership

- a. Is there added value for the organization?
- b. What are the optimal benefits to be obtained from the partnership?
- c. Who are the possible partners?

#### 2. Establish the partnership

- a. Clearly state the partnership's objectives and goals
- b. Partners must understand and be in agreement about the purpose and outcome of the partnership.
- c. Working arrangements: state plainly each partners roles and responsibilities
- d. Establish Key Performance Indicators
- e. Give it a written form - contract

#### 3. Performance and management systems

- a. Publicize the partnership and its results

- b. Hold a continuous communication with your partner
- c. Monitor and evaluate the results from the partnership
- d. Determine aspects in need of improvement
- e. Implement changes and refinements to the agreement

#### **4. Termination**

- a. Understand when the partnership is not beneficial anymore
- b. Terminate the agreement in a friendly manner